

NET 1 UEPS TECHNOLOGIES, INC.
AUDIT COMMITTEE CHARTER

CONTENTS

CONTENTS.....	2
1. EXECUTIVE SUMMARY	3
1.1. INTRODUCTION.....	3
2. PURPOSE, COMPOSITION AND MEETING OF THE COMMITTEE	4
2.1. PURPOSE OF THE COMMITTEE.....	4
2.2. COMPOSITION.....	4
• MEMBERSHIP	4
• APPOINTMENT AND REMOVAL OF MEMBERS.....	5
• CHAIRPERSON AND SUBCOMMITTEE	5
2.3. MEETINGS.....	5
3. RESPONSIBILITIES	6
3.1. DUTIES AND POWERS	6
• DOCUMENTS/REPORTS/ACCOUNTING INFORMATION REVIEW.....	6
• INDEPENDENT AUDITOR	6
• FINANCIAL REPORTING PROCESSES, ACCOUNTING POLICIES, AND INTERNAL CONTROL PROCEDURE.....	7
• INTERNAL AUDIT.....	8
• LEGAL COMPLIANCE AND RISK MANAGEMENT	8
• OTHER RESPONSIBILITIES.....	9
4. RESOURCES AND AUTHORITY	10
4.1. RESOURCES AND AUTHORITY	10

1. EXECUTIVE SUMMARY

1.1. INTRODUCTION

The Audit Committee (hereinafter referred to as the “Committee”) of the Board of Directors (hereinafter referred to as the “Board”) of Net 1 UEPS Technologies, Inc. (hereinafter referred to as the “Company”) has the responsibilities, authority and duties described in this charter (hereinafter referred to as the “Charter”).

The Committee plays an important role in providing oversight the Company’s governance, risk management and internal control practices. The Committee shall provide independent oversight to the Board.

The Charter below sets forth the authority and responsibility of the Committee in fulfilling its purpose.

2. PURPOSE, COMPOSITION AND MEETING OF THE COMMITTEE

2.1. PURPOSE OF THE COMMITTEE

The Committee is established by the Board for the primary purpose of overseeing or assisting the Board in overseeing the following:

- The Company's accounting and financial reporting processes and the audit of the Company's financial statements;
- The Company's compliance with legal and regulatory requirements;
- The qualifications, independence and performance of the Company's independent auditors and of the internal audit function;
- The Company's systems and disclosure controls and procedures, internal controls over financial reporting and compliance with ethical standards adopted by the Company.

The Committee shall encourage continuous improvement and foster adherence to the Company's policies, procedures, and practices at all levels. The Committee has the authority to conduct investigation into any matters within its scope of responsibility.

The Committee's principal responsibility is one of oversight. The fundamental responsibility for the Company's financial statements and disclosures rests with management and the independent auditor.

The Committee shall fulfil its responsibilities by carrying out the activities enumerated in Section 3 of this Charter. The Committee shall report regularly to the Board regarding the execution of its duties and responsibilities and copies of audit committee minutes shall be circulated to the Board.

2.2. COMPOSITION

• MEMBERSHIP

The Committee shall be appointed by the Board and shall comprise at least three (3) directors.

Each Committee member shall meet the applicable standards of independence and the determination of independence shall be made by the Board and as defined by applicable standards listing.

Each Committee member shall be a person other than an officer or employee of the Company or its subsidiaries or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of his or her independent judgment in carrying out the responsibilities of a director and shall otherwise meet the independence requirements of The NASDAQ Stock Market LLC ("NASDAQ"), the Securities and Exchange Commission (the "SEC"), and applicable law.

No member of the committee shall have participated in the preparation of the financial statements of the Company or any of its subsidiaries at any time in the prior three years.

All members of the Committee must comply with all financial literacy requirements of the securities exchanges on which the Company is listed. At least one member shall qualify as an "audit committee financial expert" as defined by the SEC and determined by the Board and appropriate disclosure shall be made. The existence of such a member, including their name and the fact that they are independent, shall be disclosed in periodic filings as required by the SEC.

- **APPOINTMENT AND REMOVAL OF MEMBERS**

Each member of the Committee, shall be elected by the Board upon the recommendation of the Nominating and Corporate Governance Committee at the first Board meeting following each annual meeting of shareholders and shall serve until the first Board meeting following the next annual meeting of shareholders and until their successors are elected and qualify.

The Board may remove any committee member with or without cause.

A director shall not serve as a member of the Committee if any executive officer of the Company serves on the board of directors of another company that employs such director as an executive officer.

- **CHAIRPERSON AND SUBCOMMITTEE**

The Board shall elect one member as Committee Chairperson.

2.3. MEETINGS

The Committee shall hold meetings at least six (6) times each year, and shall hold such additional meetings as deemed necessary or desirable by the Chairperson of the Committee and as may be required to perform the functions described under "Duties and Powers" below.

Each scheduled meeting shall conclude with an executive session of the Committee without members of management being present.

In addition, the Committee shall meet periodically in separate executive sessions with management, the director of the internal auditing function and the independent auditor. The Committee shall also meet with the independent auditor and management to discuss the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "management's discussion and analysis of financial condition and results of operations."

3. RESPONSIBILITIES

3.1. DUTIES AND POWERS

To fulfil its responsibilities and duties, the Committee shall:

- **DOCUMENTS/REPORTS/ACCOUNTING INFORMATION REVIEW**

- Review and reassess this charter periodically, at least annually, and recommend to the Board any necessary amendments;
- Review and discuss with management, the internal auditors, and the independent auditor the Company's annual and quarterly financial statements prior to the first public release of the Company's financial results for such year or quarter, and the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q in advance of such filings, and review any non-GAAP information (including any "pro forma" or "adjusted" information) included therein;
- Review other relevant reports or financial information submitted by the Company to any governmental body or the public, including management certifications as required by the Sarbanes-Oxley Act of 2002 and relevant reports rendered by the independent auditor (or summaries thereof);
- Recommend to the Board whether the financial statements should be included in the annual report on Form 10-K and, if applicable, the Company's Annual Report to Stockholders;
- Discuss earnings press releases, prior to distribution, including the type and presentation of information, paying particular attention to any non-GAAP information (including any "pro forma" or "adjusted" information);
- Discuss financial information and earnings guidance provided to analysts and ratings agencies, prior to distribution thereof; and
- Review the regular internal reports to management (or summaries thereof) prepared by the internal auditing department, as well as management's response.

- **INDEPENDENT AUDITOR**

The Committee is solely and directly responsible for the appointment, compensation, retention, and oversight of any independent auditor engaged for the purpose of preparing or issuing any audit report or performing related work.

- Review the performance of the independent auditor and remove the independent auditor if circumstances warrant. The independent auditor will report directly to the audit committee and the audit committee will oversee the resolution of disagreements between management and the independent auditor if they arise;
- Consider whether the auditor's performance of permissible non-audit services is compatible with the auditor's independence;
- Discuss with the independent auditor the matters required to be discussed under Statement on Auditing Standards (SAS) No. 61, as amended;
- Review with the independent auditor any significant matters arising from any audit or report or communication relating to the financial statements, including any material audit problems or difficulties and management's response and resolution;
- Review the independent auditor's report on the Company's internal control over financial reporting and management's report on internal control over financial reporting, from the time that such reports are prepared; and hold timely discussions with the independent auditor regarding the following:
 - All critical accounting policies and practices;

- All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
 - Other material written communications between the independent auditor and management, including, but not limited to, the management letter and schedule of unadjusted differences.
- At least annually, obtain and review a report by the independent auditor describing:
 - The firm's internal quality control procedures;
 - Any material issues raised by the most recent internal quality control review or peer review, or by any inquiry or investigation conducted by governmental or professional authorities during the preceding five years with respect to independent audits carried out by the firm, and any steps taken to deal with any such issues;
 - All relationships between the independent auditor and the Company, addressing the matters set forth in Independence Standards Board Standard No. 1. This report should be used to evaluate the independent auditor's qualifications, performance, and independence;
 - Further, the Committee will review the experience and qualifications of the lead partner and other senior members of the independent audit team each year and determine that all partner rotation requirements, as promulgated by the applicable rules and regulations, are executed; and
 - The committee will also consider whether there should be rotation of the firm itself.
- Actively engage in dialogue with the independent auditor with respect to any disclosed relationships or services that may affect the independence and objectivity of the auditor and take, or recommend that the full Board take, appropriate actions to oversee the independence of the outside auditor;
- Review and pre-approve (which may be pursuant to appropriate pre-approval policies and procedures) both audit and non-audit services to be provided by the independent auditor. The authority to grant pre-approvals may be delegated to one or more designated members of the audit committee whose decisions will be presented to the full audit committee at its next regularly scheduled meeting. Such review and approval will be disclosed in reports filed with or furnished to the SEC as required by applicable SEC regulations;
- Set clear hiring policies, compliant with governing laws and regulations, for employees or former employees of the independent auditor; and
- Select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.
- **FINANCIAL REPORTING PROCESSES, ACCOUNTING POLICIES, AND INTERNAL CONTROL PROCEDURE**
 - In consultation with the independent auditor, the internal auditor and management, review and discuss the integrity of the organization's financial reporting processes (both internal and external), and the internal control structure (including disclosure controls and procedures and internal control over financial reporting);
 - Review and discuss with management, the internal auditors, and the independent auditor the Company's report regarding internal control over financial reporting and any major issues as to the adequacy of the Company's internal controls;
 - Receive and review any disclosure from the Company's CEO or CFO made in connection with the certification of the Company's quarterly and annual reports filed with the SEC of :

Approved by: Net1 Board	Last revision date: June 2019 Version: 2	Date of next review: June 2020	Page 7 of 10
----------------------------	---	-----------------------------------	--------------

- all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarise, and report financial data; and
 - any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
- Review major issues regarding accounting principles and financial statement presentations, including any significant proposed or contemplated changes in the Company's selection or application of accounting principles; major issues as to the adequacy of the Company's internal controls; policies, estimates, internal controls, disclosure controls, procedures, practices or auditing plans (including those policies for which management is required to exercise discretion) or judgments regarding the implementation thereof and any special audit steps adopted in light of material control deficiencies;
 - Review analyses prepared by management (and the independent auditor above) setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;
 - Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;
 - Review and pre-approve all related party transactions, defined as those transactions or arrangements required to be disclosed under Item 404 of Regulation S-K, on an ongoing basis;
 - Establish and maintain procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters;
 - Establish and maintain procedures for the confidential, anonymous submission by Company employees regarding questionable accounting or auditing matters;
 - Periodically discuss with the independent auditor, without management being present:
 - such firm's judgments about the quality, appropriateness, and acceptability of the Company's accounting principles and financial disclosures practices, as applied in its financial reporting; and
 - the completeness and accuracy of the Company's financial statements.
 - Meet periodically with management and the independent auditors to:
 - review the annual audit plans of the independent auditors; and
 - receive a detailed explanation of the accounting for any unusual or non-recurring transactions which have a material impact on the Company's financial statements during the reporting period.
 - **INTERNAL AUDIT**
 - Review and advise on the selection and removal of the internal audit director;
 - Review activities, organisational structure, and qualifications of the internal audit function;
 - Annually, review and recommend changes (if any) to the internal audit charter; and
 - Periodically review with the internal audit director any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the function's work.
 - **LEGAL COMPLIANCE AND RISK MANAGEMENT**
 - Establish, review and update periodically a code of ethics applicable to all employees and directors of the Company, and determine whether management has established a system to enforce this code;
 - Determine whether the code is in compliance with all applicable rules and regulations;
 - Review and pre-approve:

- any change or waiver of this code; and
 - any disclosure made on Form 8-K regarding such change or waiver.
 - Review management's monitoring of the Company's compliance with its code of ethics, and determine whether management has the proper review system in place to ensure that the Company's financial statements, reports, and other financial information disseminated to governmental organisations and the public satisfy legal requirements;
 - Review, with the Company's counsel, legal compliance matters, including the Company's insider trading policy;
 - Review, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements;
 - Review the work performed by the Enterprise Risk Management Committee ("ERM Committee") in order to oversee the ERM Committee's mandate to assist in implementing sound policies, procedures and practices, for the enterprise-wide management of the Company's material risks and to review the report to the Audit Committee of the results of the ERM Committee's activities; and
 - Discuss policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process, as well as the Company's major financial risk exposures and the steps management has undertaken to control them.
- **OTHER RESPONSIBILITIES**
- Review with the independent auditor, the internal auditing department, and management the extent to which changes or improvements in financial or accounting practices have been implemented;
 - Prepare the report that the SEC requires be included in the Company's annual proxy statement;
 - Conduct an annual performance assessment regarding this Committee's purpose, duties, and responsibilities outlined herein; and
 - Perform any other activities consistent with the charter, the Company's bylaws, and governing law, as the Board deems necessary or appropriate.

-

4. RESOURCES AND AUTHORITY

4.1. RESOURCES AND AUTHORITY

The Committee shall have the resources and authority appropriate to discharge its responsibilities as set out in the Charter. The Committee will also facilitate open communication between the independent auditor, financial and senior management, the internal audit function and the Board.

The audit committee has authority to obtain advice and assistance from outside legal, accounting or other advisors as deemed appropriate to perform its duties and responsibilities. The Company will provide appropriate funding, as determined by the Committee, for compensation:

- to the independent auditor;
- to any advisers that the audit committee chooses to engage; and
- ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its functions.

BOARD APPROVAL RECEIVED: AUGUST 2019